

NEWS

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FOR IMMEDIATE RELEASE
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Former Analyst with Robert Wood Johnson Foundation
Admits Diverting Charitable Matching Gifts

(More)

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TRENTON – A former financial analyst for the Robert Wood Johnson Foundation pleaded guilty Tuesday to mail fraud, admitting he diverted matching charitable gifts from his former employer to himself, U.S. Attorney Christopher J. Christie announced.

Benjamin Warner, 41, of Hamilton Township, Mercer County, pleaded guilty to a one-count Information charging mail fraud, according to Assistant U.S. Attorney Scott B. McBride. Following the guilty plea, U.S. District Judge Anne E. Thompson set sentencing for Sept. 15. Judge Thompson set bail at \$100,000 to be secured by equity in his home, pending sentencing.

The defendant faces a maximum sentence of 20 years in federal prison and a \$250,000 fine, or double the pecuniary gain he derived from his offense, on the sole count of the Information, charging mail fraud.

In addition, Benjamin Warner could also be ordered to pay restitution to the Robert Wood Johnson Foundation and the costs of his prosecution.

As an employee of Robert Wood Johnson Foundation, Warner was eligible to participate in that organization's matching gift program, which matched employees' charitable donations up to fivefold. Warner admitted today that, at least as early as May 2001, he approached numerous charities with a "fund-raising" proposal.

According to Warner, he offered to recruit donors from Robert Wood Johnson Foundation to make gifts to these charities. The donors, he told the charities, would submit matching gift forms to Robert Wood Johnson Foundation, which would in turn remit matching funds to the charities. Once the charities received their funds, the proposal called for them to send Warner payment for the original donation, which he had procured for them, plus a monthly "financial consulting" fee.

Warner admitted executing this proposed scheme with the unsuspecting charities until about March 2003, which resulted in the Robert Wood Johnson Foundation sending roughly \$210,000 in matching funds to these charities. Warner told Judge Thompson that he donated his own funds to these charities, and that he also fronted funds for Robert Wood Johnson recruits to give to these charities.

Warner also admitted that he employed the same scheme to cause Robert Wood Johnson Foundation to send \$114,875 in matching funds to his own charity, Tenth American Foundation, of which he was president, sole officer and employee, and that he used a portion of those funds for personal purposes. According to the Information, Tenth American claimed to be a non-profit foundation established to help local families pay medical and education costs during times of need.

Under an Information, a defendant waives the right to have his case presented to a grand jury and, instead, pleads guilty to charges presented by the Government.

In determining an actual sentence, Judge Thompson will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Postal Inspectors of the United States Postal Inspection Service, under the direction of Postal Inspector In Charge Thomas C. Van de Merlen.

The Government is represented by Assistant U.S. Attorney McBride, of the U.S. Attorney's Violent Crimes Unit.

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Defense Attorney: David W. Fassett, Esq., Chatham.